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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman

WILLIAM A. MUNDELL

JEFF HATCH-MILLER

KRISTIN K. MAYES

GARY PIERCE

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
GLOBAL WATER – SANTA CRUZ WATER
COMPANY FOR A WAIVER UNDER A.A.C. R14-
2-806 RELATING TO CERTAIN FUTURE
ACQUISITIONS BY GLOBAL WATER, INC.

DOCKET NO. W-20446A-07-0595

PROCEDURAL ORDER**BY THE COMMISSION:**

On October 12, 2007, Global Water – Santa Cruz Water Company (“Santa Cruz”) filed with the Arizona Corporation Commission (“Commission”) an application requesting a waiver under Arizona Administrative Code (“A.A.C.”) R14-2-806 to allow Global Water, Inc. (“Global”) to acquire additional public utilities in the future without the need for further Commission approval. In the application, Santa Cruz requested to have the waiver apply to other utilities owned by Global that may become Class A utilities in the future. (Application at 5, ¶ 20.) Santa Cruz also expressly waived the right under A.A.C. R14-2-806(C) to have the waiver take effect upon operation of law if the Commission failed to take action within 30 days. (Application at 5, ¶ 19.) The application was signed only by counsel for Santa Cruz and was not verified. (Application at 6.)

On December 7, 2007, counsel for the Commission’s Utilities Division (“Staff”) filed a request to suspend the time clock in this matter, stating that Staff is unable to process the application under the time frames set forth in the A.A.C. Staff also stated that Staff had contacted counsel for Santa Cruz on November 2, 2007, and that Santa Cruz had no objection to Staff’s request.

Under A.A.C. R14-2-806(C), if the Commission fails to approve, disapprove, or suspend for further consideration an application for waiver within 30 days following filing of a verified application for waiver, the waiver becomes effective on the 31st day following filing of the application. Because the application in this docket was not verified as required under A.A.C. R14-2-806(B), the 30-day time frame under A.A.C. R14-2-806(C) has not yet come into effect.

1 Furthermore, because Santa Cruz expressly waived the 30-day time frame under A.A.C. R14-2-
2 806(C), the time frame is inapplicable in this matter.

3 A.A.C. R14-2-803(A) requires any utility or affiliate intending to organize a public utility
4 holding company or reorganize an existing public utility holding company to file notice with Staff at
5 least 120 days prior to the organization or reorganization. Santa Cruz, as a Class A investor-owned
6 utility, is required to file this type of notice whenever Global, its affiliate and a public utility holding
7 company, intends to reorganize by (1) acquiring or divesting a financial interest in an affiliate or
8 utility, (2) reconfiguring an existing affiliate's or utility's position in the corporate structure, or (3)
9 merging or consolidating an affiliate or a utility. (*See* A.A.C. R14-2-801(5); A.A.C. R14-2-802(A);
10 A.A.C. R14-2-803(A).) Global, as Santa Cruz's affiliate, is also required to provide this notice under
11 A.A.C. R14-2-803(A). Any other affiliate of Global that is a Class A investor-owned utility would
12 also be required to provide this notice under A.A.C. R14-2-803(A).

13 A.A.C. R14-2-806(B) allows any affected entity to petition the Commission for a waiver of a
14 provision in 14 A.A.C. 2, Article 8 by filing a verified application for waiver setting forth with
15 specificity the circumstances whereby the public interest justifies noncompliance with all or part of
16 the provisions of the Article. Each entity that desires to obtain a waiver of a requirement under 14
17 A.A.C. 2, Article 8 should file a verified application. If several affiliated entities desire the same type
18 of waiver, as seems to be the case in this matter, each of those affiliated entities should either file a
19 separate verified application or join in a verified application for the waiver.

20 IT IS THEREFORE ORDERED that Santa Cruz's application filed on October 12, 2007, is
21 insufficient under A.A.C. R14-2-806(B) because it was not verified.

22 IT IS FURTHER ORDERED that because Santa Cruz's application filed on October 12,
23 2007, was not verified, the 30-day time frame under A.A.C. R14-2-806(C) has not yet come into
24 effect.

25 IT IS FURTHER ORDERED that because Santa Cruz expressly waived the 30-day time
26 frame under A.A.C. R14-2-806(C), the 30-day time frame is inapplicable in this matter.

27 IT IS FURTHER ORDERED that if Santa Cruz desires to obtain a waiver under A.A.C. R14-
28 2-806, Santa Cruz shall file a verified amended application in this docket.

IT IS FURTHER ORDERED that if Global desires to obtain a waiver under A.A.C. R14-2-806, Global shall either file its own verified application in a separate docket or join in Santa Cruz's verified amended application.

IT IS FURTHER ORDERED that if another affiliate of Global desires to obtain a waiver under A.A.C. R14-2-806, in anticipation of becoming a Class A investor-owned utility, such other affiliate of Global shall either file its own verified application in a separate docket or join in Santa Cruz's verified amended application.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

Dated this 12th day of December, 2007


SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

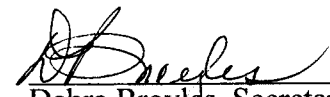
Copies of the foregoing mailed/delivered this 12th day of December, 2007 to:

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By: 
Debra Broyles, Secretary to
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